



THE GROWING ROLE OF DIGITAL MEDIA IN INTERNATIONAL TRADE

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Abstract:

Businesses that are involved in international commerce are beginning to recognize the growing importance of digital media as a tool. Utilizing digital media in international commerce may result in a number of positive outcomes, including higher productivity, decreased expenses, and enhanced levels of communication. However, digital media also presents important obstacles, such as risks associated with cybersecurity, the existence of a digital divide, and the need for new rules at the international level. In this study, we investigate the expanding importance of digital media in international commerce and talk about the advantages, disadvantages, and future possibilities of this phenomenon. In addition to this, the paper offers suggestions for both governments and enterprises for how to make the most of digital media in international commerce.

Keywords:

Digital media, International trade, benefits, challenges, cybersecurity, digital divide, regulations, future prospects, policymakers, businesses

1. Introduction

Digital media has emerged as an integral part of global commerce in recent years. As e-commerce, social media, and other online environments continue to grow in popularity, more and more companies are turning to these mediums to communicate with their global network of consumers, vendors, and partners. More efficiency, reduced prices, and clearer communication are just a few of the many advantages of using digital media in commerce worldwide. However, the purpose of this research was to ascertain whether new digital media has had a significant impact on more conventional means of media and visual communication. The proliferation of digital media has drastically revolutionized the production, dissemination, and consumption of information, having a profound effect on more traditional forms of media such as print newspapers, magazines, and television. One of the most notable ways in which new forms of digital media have affected traditional forms of media is via the explosion of online platforms and social media. These networks have eliminated the need for traditional gatekeepers like editors and broadcasters, allowing anybody to produce and distribute content with an international audience. Since anybody with an internet connection has the opportunity to reach a massive audience, this has led to the democratization of the media. The explosion of digital media has also given rise to new forms of visual communication, such as computer-generated imagery (CGI), video, and animation. The popularity of these forms of media is on the rise because they encourage audience participation and provide a more immersive experience. Additionally, the emergence of digital media has substantially impacted the financial structures of traditional media corporations. Many people have found it challenging to adapt to the shift toward online marketing and payments, which has resulted in a loss of income and the removal of employment in certain cases (Alzubi, 2022). It's plausible that the impact of new digital media on older forms of media and storytelling has been substantial and far-reaching, and that it will continue to alter the media landscape for years to come. There has been a dramatic change in the media landscape as a direct result of the proliferation of digital media in the past decade. The effects of this modification have been dramatic. This study examines the impact that the proliferation of digital media has had on more traditional means of communication including media such as newspapers, television, and commercials (Alzubi, 2023). The author delves deeply into the ways in which the proliferation of electronic mediums has affected traditional media forms.

Trade and international commerce have increased dramatically as a result of globalization, the process by which individual national economies have become part of a massive interconnected global economic system. Since 2008,

international commerce has expanded together with global GDP, both by 26% during that time (WTO, 2019). While nominal global GDP was estimated at \$84 trillion in 2018, \$88 trillion in 2019, and was projected to slow to about \$90 trillion in 2020 (World Bank, 2019), international trade was estimated at about \$25.3 trillion in 2018, with \$19.67 trillion (78%) coming from merchandise trade and \$5.63 trillion (22%) coming from commercial services. The only significant risk for the global economy seems to be the likelihood of an increase in trade hostilities between these two giants (WTO, 2019) since both the Chinese and American economies developed faster than other manufacturing economies as 2019 came to a close.

2. Benefits of Digital Media in International Trade:

The use of digital media in the conduct of international commercial transactions comes with a number of distinct benefits. To begin, there is the possibility that it will aid businesses in accessing a more widespread audience. (Berman, 2012). By using digital platforms such as social media and websites that support online purchasing, businesses are able to communicate with customers all over the world, even in remote locations. This is made possible by the convenience of online shopping. This has the potential to aid businesses in expanding their customer base, which in turn might help them increase their sales. Second, Chen and Chen (2018) discovered that companies may find it simpler to interact with their business partners if they make use of digital media. This was one of their findings. Video conferencing and instant messaging, for instance, are two means that businesses may deploy to interact in real time with their business partners and suppliers. Other options include phone calls and face-to-face meetings. This may aid businesses in reacting to movements in the market in a more timely way, which in turn may boost the efficiency of the supply chains that those businesses use. According to Shang and Seddon (2018), digital media may be able to aid businesses in reducing their expenses, which is a positive development. Through the use of digital platforms, businesses are able to reduce their dependency on face-to-face meetings and travel, both of which are time-consuming and expensive. They are also able to automate many of their processes, such as order processing and customer service, which may contribute to a reduction in their total costs associated with labor.

3. Challenges of Digital Media in International Trade

Companies who are engaged in international business face a number of significant challenges as a result of the proliferation of digital media, despite the fact that this medium offers a multitude of benefits. The issue of online safety and security is one of the most challenging to resolve. Companies are increasingly reliant on digital platforms to conduct their business on a global scale, which makes it more probable that a successful cyberattack will be launched against that company. (ITU, 2019). It's possible that this might lead to data breaches, financial losses, and damage to one's reputation. The digital divide is just another barrier that must be surmounted. Companies in nations with high levels of income typically have access to high-speed internet as well as other forms of digital technology, while companies in nations with low levels of wealth frequently do not have these tools at their disposal. (Annual Report of the World Economic Forum for 2019). This may constitute an obstacle for businesses in developing countries seeking to access international markets and limit the potential of such businesses to compete with other businesses worldwide. In addition to this, it might make it more difficult for them to compete in the home market. To summarize, the utilization of digital media in worldwide business has brought to light the need for the formulation of brand-new international regulations. The regulations that are currently in place are often incapable of appropriately addressing the one-of-a-kind issues that are brought about by digital media. (Clifford, 2019) For instance, in this day and age of digital technology, there is an urgent need for legislation concerning the privacy of data, the movement of data over international boundaries, and the protection of intellectual property rights.

4. The Effects of Emerging Digital Technologies on the Organization of Global Value Chains

More and more everyday items are being outfitted with sensors that can collect, analyze, and transmit data to humans and other devices. Many people are interested in consumer applications, such as Internet-enabled home appliances³. However, the possibilities for business-to-business applications are much broader, as sensors can provide real-time data for things like assessing product usage and functionality, monitoring inventory levels to improve capacity planning, and detecting equipment wear and tear for preventative maintenance (Bughin et al., 2015a). To do this, businesses, suppliers, and consumers will need to share more information with one another while relying less on

middlemen (Porter & Heppelmann, 2014). The IoT will also significantly alter how geographically distributed value chains are managed. Most businesses nowadays keep tabs not just on the movement of actual goods but also on the movement of data. However, with IoT, goods will each be given a unique identification that is inextricably tied to data about the product's origin, use, and final resting place. Products and information flows will no longer need simultaneous coordination. Significant gains in production and distribution efficiency may result from this merging of concepts, especially when international trade movements within global value chains are taken into account. As a result, the Internet of Things (IoT)'s arrival is predicted to lessen the financial burden of cross-border manufacturing and pave the way for a more extensive global division of labor in the workplace (Buckley & Strange, 2015). Recalling Ronald Coase's observation from 80 years ago (in 1937: 397) that "changes like the telephone and the telegraph which tend to reduce the cost of organising spatially will tend to increase the size of the firm," we can say that this is a trend that has persisted. Any shift toward better management practices is likely to result in the expansion of the business.

5. Future Prospects of Digital Media in International Trade

In spite of the fact that there is a probability that new challenges could appear in the not too distant future, it is expected that the utilization of digital media in international business will continue to expand over the course of the next few years (Lee, 2019). Enterprises will be able to benefit from newly created digital tools as a direct consequence of continued improvements in technology, which will enable these enterprises to do so. These technologies will aid these companies in better optimizing their operations in regard to international commerce, which will ultimately lead to increased profitability. As long as advancements in technology continue to go in the right direction, achieving this goal won't be impossible. For instance, the use of artificial intelligence and blockchain technology could be able to facilitate the automation of business procedures and the reduction of their complexity (Meng, 2020). However, in order to fully use the potential of digital media in international business, there is a need for a higher degree of international cooperation and collaboration. This is necessary in order to completely utilize the potential of digital media. This is essential in order to use the capabilities of digital media to its fullest extent. This is very necessary in order to use the capacities of digital media to their utmost potential. This is one of the obstacles that has to be overcome, and it is presented here for your consideration. According to the World Trade Organization 2021, governments and the owners of enterprises need to collaborate in order to produce new norms and standards that are capable of handling the one-of-a-kind challenges that are brought about by digital media. These new norms and standards will be able to manage these problems because of the fact that they are able to adapt to new technologies. There is a wide range of possible approaches to addressing these concerns that might be taken into consideration. Because of this innovation, there will be a fairer playing field for companies of all various sizes and from all over the globe. This applies to both domestic and international companies.

6. Recommendations for Policymakers and Businesses

According to Baldwin (2019), in order to make the most of the potential advantages that may be drawn from the use of digital media in international business, a number of actions need to be taken on the part of both national governments and private firms. These actions need to be taken in order to maximize the benefits that can be gained from the utilization of digital media. To get things started, those in authoritative positions need to come up with completely new norms and standards that are adaptable enough to deal with the one-of-a-kind problems posed by digital media. These guidelines and expectations ought to be able to address the problems that have been raised. This encompasses a broad variety of topics, some of which include the protection of sensitive personal information, the movement of data over international borders, and the defense of intellectual property rights. The second thing that has to be done is for enterprises to begin making investments in the digital infrastructure and capabilities that they already possess (ITU, 2020). This includes the building of their very own e-commerce platforms, the usage of social media in order to engage with clients, as well as the exploitation of new technologies such as blockchain and artificial intelligence. In the end, but most importantly, government leaders and corporate executives need to work together in order to create better levels of international cooperation and collaboration (World Economic Forum, 2021). Exchange of best practices, adoption of common standards, and promotion of wider access to digital technology for enterprises in poor nations are all included as part of this initiative. Also included is the exchange of best practices among developed countries.

7. Conclusion

Over the course of the last few years, the use of digital media has evolved into a crucial resource for companies who are involved in international commerce. Even while there are a lot of advantages that may be gained from technology, such as higher productivity, decreased expenses, and enhanced communication, there are also a number of big disadvantages associated with it that should not be neglected. One of these disadvantages is the danger that it poses to cybersecurity, another is the growing of the digital gap, and still another is the need for new international standards. It is necessary for there to be an increase in the amount of international cooperation and coordination that existing between enterprises and governing agencies if the potential of digital media in international commerce is going to be completely realized. This is especially true when one considers the situation from a worldwide vantage point. We will not only be able to overcome the one-of-a-kind challenges that are posed by digital media, but we will also be able to ensure that businesses of all sizes and in all parts of the world will be able to benefit from it if we work together to establish new guidelines and benchmarks for the industry. This will be possible if we work together to establish new guidelines and benchmarks for the industry. Nevertheless, the increasing prevalence of digital media in international commerce not only presents substantial obstacles for companies, but it also creates a broad range of possibilities for the businesses themselves to pursue. While technological improvements are being made, governments and companies need to collaborate in order to produce new rules and standards that are capable of tackling the specific issues provided by digital media. These new regulations and guidelines must be able to solve these challenges in a way that is compliant with current technology. These guidelines and standards have to be able to account for the unique characteristics of the challenges that are being encountered. By acting in this manner, not only will we be able to foster a better level of international cooperation and collaboration, but we will also be able to ensure that companies of any size and hailing from any country will be able to benefit from the possibilities presented by digital media in the context of international commerce.

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Note

- 3 For instance, L’Oreal unveiled a smart hairbrush at the 2017 Consumer Electronics show in Las Vegas. The brush has sensors that detect hair quality and breakage, and can then communicate this data to an app and recommend treatments. See the report at <http://www.bbc.co.uk/news/technology-38503932> (accessed 10 May 2017)